

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

TRANSFER OF PARCEL POST TO THE  
COMPETITIVE PRODUCT LIST

Docket No. MC2012-13

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 2  
(May 25, 2012)

Chairman's Information Request (CHIR) No. 2 was issued on May 22, 2012. The request sought an answer no later than May 29, 2012. Attached is the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

1. In response to Chairman's Information Request No. 1, the Postal Service reported that the FY2011 attributable cost for Alaska Bypass Service was \$7,399,745. The Postal Service explained that it relied on data from the Surface Air Management System (SAM-S). However, the 2011 Annual Compliance Report suggests that the attributable cost for Alaska Bypass Service was \$8,674,985. Please reconcile the two values and explain why the SAM-S value is preferred.

**RESPONSE:**

The \$8.674 million figure that the Commission cites from the 2011 Annual Compliance Report was for cost segment 14.1.1, Domestic Alaska Air. This cost segment includes \$7.399 million for Alaska Bypass Service and \$1.275 million for non-preferential air transportation for non-bypass Parcel Post packages transported in Alaska.

Since the proposed Alaska Bypass Service would not incur costs from the new "competitive" Parcel Post product, the \$7.399 million figure from SAM-S most accurately reflects the attributable cost for the proposed Alaska Bypass Service in FY 2011. The remaining \$1.275 million for non-bypass Parcel Post packages was attributed to the new "competitive" Parcel Post in the Postal Service's response to CHIR No. 1.